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PRESS RELEASE

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Memphis Man Indicted on Fraud Charges

Memphis, TN - Terrell L. Harris, United States Attorney for the Western District of Tennessee, announced today that a federal grand jury recently returned a five-count indictment against Phillip Lacefield, of Memphis, Tennessee. Lacefield was charged with mail fraud, wire fraud, making false statements on a loan application, and two counts making false statements to a representative of the United States Pretrial Services Office.

Lacefield was previously indicted on February 28, 2002, charged with engaging in money laundering, making a false statement to a federal agency, and identity theft. That indictment also seeks a criminal forfeiture of all proceeds of the money laundering and identity theft activities. It claims that Lacefield utilized the names, driver's license numbers, and bank account numbers of various individuals in order to commit mail fraud, bank fraud, wire fraud, and forgery.

According to the new indictment, between approximately March 21, 2002 and April 29, 2002, Lacefield devised a scheme to defraud and obtain money by means of false and fraudulent

misrepresentations to a financial institution. The indictment states that Lacefield prepared fraudulent home loan applications and supporting documents and sent these documents to Tennessee Mortgage Funding in Nashville, Tennessee, which in turn faxed information to Consec Bank, Inc., in Greensboro, North Carolina.

The indictment also alleges that Lacefield made a material false statement in connection with an application for a property improvement or equity loan with First Tennessee Bank. According to the indictment, Lacefield represented that his address had been 310 N. Avalon Street, Memphis, Tennessee, for one year, that he had no creditors, and that he received monthly wages of \$15,000 with a yearly bonus of \$60,000 from Professional Business Services, Inc., when he knew these to not be true.

The indictment also charges that Lacefield made false, fictitious, and fraudulent statements and representations during two of his weekly meetings with a representative of the United States Pretrial Services Office.

Lacefield faces a maximum penalty of 30 years in prison and a \$1 million fine on the false loan application charge and up to five years in prison and a \$250,000 fine on each of the other four charges.

This investigation was conducted by the FBI and IRS-Criminal Investigation. Assistant U.S. Attorney Tracy Berry is prosecuting the case for the government.

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